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# TRANSPORTATION & COMMUNICATIONS: STRATEGIC DIRECTIONS ONTARIO'S FUTURE



Ontario

Ministry of  
Transportation and  
Communications





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Office of the  
Deputy Minister

Ministry of  
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January 14, 1986

Mr. R.D. Carman  
Secretary of the Cabinet  
Cabinet Office, Legislative Building  
Queen's Park  
Toronto, Ontario

Dear Mr. Carman:

Re: Ministry of Transportation &  
Communications - Strategic Directions

The Ministry of Transportation and Communications is pleased to respond to the Premier's request for ministries to document their strategic directions. At MTC, strategic management structures and processes have been in place for several years and are used for policy development and decision-making, and to assess and develop strategic directions on an annual basis. This year, the ministry focussed its strategic planning process on the social and economic well-being and competitiveness of Ontario in a post-industrial society. This theme was selected to provide a forward looking and change-oriented assessment of ministry programs and directions. At the same time, the theme provided an overall context for responding to the three specific issues raised by the Premier.

The Ministry of Transportation and Communications was established in 1971 with the mandate to be the provincial presence in transportation and communications; provide the focal point for the identification of the transportation and communications needs of the people of Ontario and satisfy them through the use of road, rail, transit, air, water, and communications systems and services in accordance with the prevailing objectives of the Government of Ontario.

In order to respond to the Premier's request, we have attempted to ensure that a broad perspective of Ontario's transportation and communications needs and interests in the post-industrial age is taken. Therefore, the discussions regarding the identified strategic objectives and the proposed strategies to address them are general in nature. We would be happy to provide more specific information at your request.

Yours sincerely


David Hobbs  
Deputy Minister





*PART 1*

*MEETING ONTARIO'S SOCIAL AND ECONOMIC NEEDS  
IN A POST-INDUSTRIAL SOCIETY*



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## Meeting Ontario's Social And Economic Needs In A Post-Industrial Society

The government has indicated a desire to establish key strategic directions that will shape the formulation and implementation of government policies and programs. To drive the development of these directions, the government has enunciated three specific strategic areas that need to be addressed: excellence in education; adapting to the post-industrial society; and future demographic impacts on health and institutional care.

These issues all speak to a concern for the long term social and economic well-being of Ontario. Canada, and most of the world, has come through a decade characterized by unpredicted major changes that have torn at the economic fabric and produced fundamental structural changes in many sectors of the economy. In the past ten years, Ontario has witnessed high energy pricing; twenty percent interest rates; double digit inflation; prolonged recession; double digit unemployment with youth being hardest hit; and abnormally high government deficits.

While we are now enjoying a period of relative stability and economic growth, there is a general recognition that the events of the last ten years have been a reflection of the turbulent nature of the world's economy and the transition to a post-industrial society. There is no longer a feeling of certainty or permanence. Many of the jobs of today will not be the jobs of tomorrow. The economic structure and competitiveness of industries and entire countries is being changed by trends toward: global manufacturing and service industries; dominance of newly industrializing countries (NICs) in assembly line and smokestack industries; and, more rapid technological change, highlighted by convergence of information technologies. The rules of the game in world trade are also unstable. This could be particularly unpalatable for Canada, which on a per capita basis has three times the international trade volume of Japan. As the General Agreement on Tariffs and Trade (GATT) stumbles toward the removal of most tariff barriers, there is a growing use of non-tariff barriers. In the United States, an annual trade deficit of over \$120 billion is creating a strong impetus for protectionist measures.

The developed nations of the world are now moving into the post-industrial or the information based age. Overall, Ontario has the potential to be in a strong position to meet the challenges ahead due to expertise in certain technology niches, the high penetration of informatics in the economy, the number of successful manufacturing industries and the generally high level of education in the workforce. For Ontario to take full advantage of opportunities, a well conceived set of strategic directions is required to enhance industry competitiveness, encourage investment and exploit new technologies.







# The Contribution Of Transportation And Communications

The transportation and communications systems are the lifeblood of Ontario society. They underpin and provide pervasive support to almost all of our social and economic activity. A major contribution to our high standard of living in Ontario is our well developed and high quality transportation and communications systems which allow for the efficient movement of people, goods, and information.

Moving into the post-industrial society, a significant measure of the future growth of Ontario's economy, particularly in the area of job creation, will be in the information and services sector. The focus of activity will shift from the production of material goods to the creation and usage of information and knowledge. Related technologies are expected to make an important contribution to improvements in productivity in all economic sectors. Therefore, the extensive growth and development of communications industries and services will be critical to Ontario being able to continue to make a successful transition to this new era.

However, economic activity and personal mobility will always rely heavily on the adequacy of the transportation system. A high priority must continue to be placed on preserving and enhancing transportation systems. As an example, the trend toward 'just-in-time' delivery of inventory in the manufacturing sector depends on the availability of efficient and reliable transportation systems.

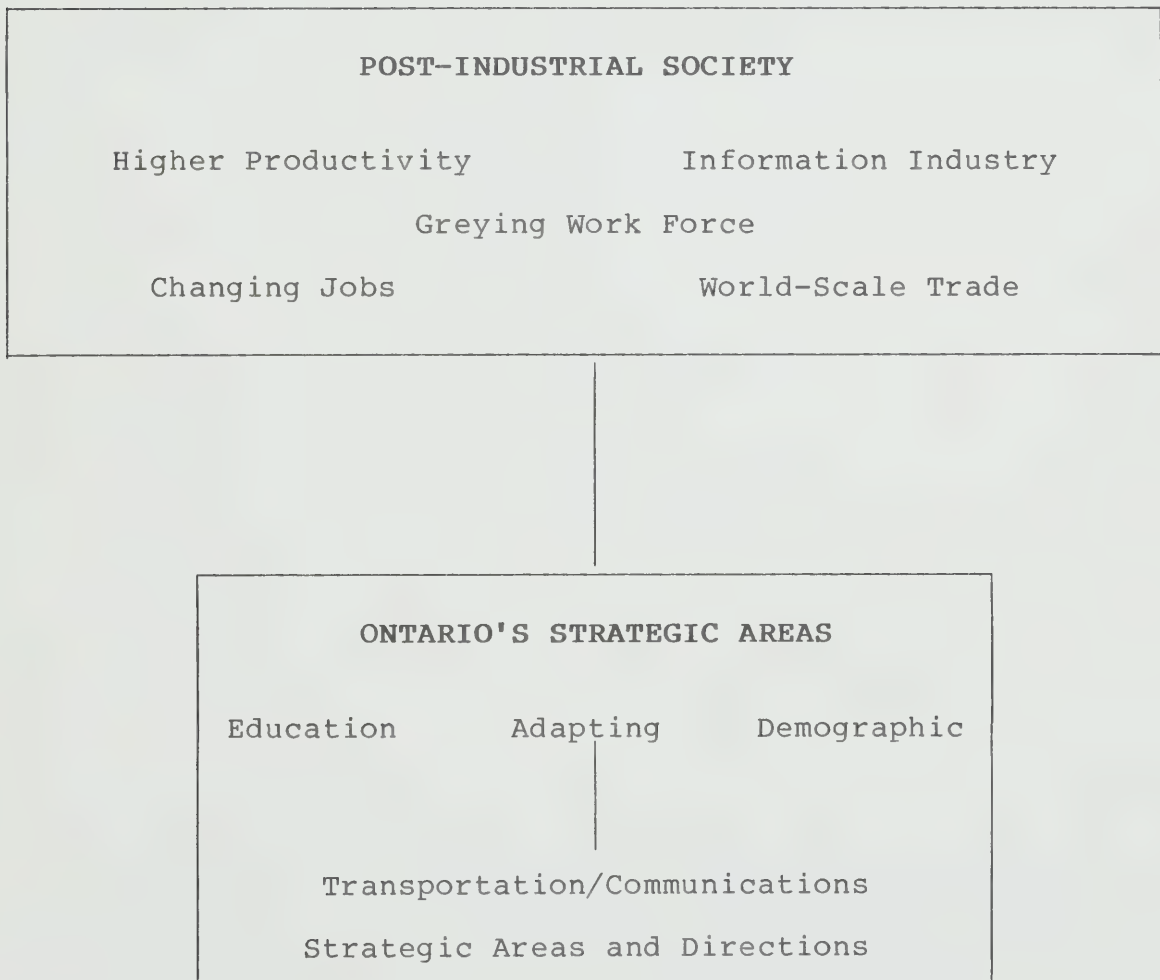
In summary, government has a major social and economic role to play as a facilitator and innovator; ensuring responsiveness to industry and consumer needs and pursuing programs that are in the best interests of the people of Ontario. The chart on the next page illustrates some of the characteristics of the post-industrial society and some of the strategic areas that have to be addressed by government. In Part 2, ten strategic areas and associated strategic directions have been identified that relate directly to the essential role that transportation and communications will have in Ontario's future.



*Meeting Ontario's Social And Economic Needs*

*In A*

*Post-Industrial Society*







*PART 2*

*TRANSPORTATION AND COMMUNICATIONS  
STRATEGIC AREAS AND DIRECTIONS*





# Transportation And Communications

## Strategic Areas And Directions

### *Industry Competitiveness*

*To support the competitiveness of Ontario's economy.*

### *Communications Industries*

*To contribute to the growth and development of Ontario's communications industries.*

### *Research and Development*

*To ensure Ontario's transition to the post-industrial society is supported by appropriate research and development initiatives.*

### *Federal/Provincial Relations*

*To ensure federal policies and initiatives in transportation and communications are consistent with Ontario's interests.*

### *Infrastructure Preservation*

*To maintain the essential contribution of the transportation infrastructure to the Ontario economy.*

### *Greater Toronto Area*

*To ensure the provision of an adequate transportation infrastructure and system to support the economic development of the Greater Toronto Area.*

### *Safety*

*To reduce the societal and long-term health care costs of road accidents.*

### *Tourism*

*To contribute to the growth and development of Ontario's tourism industry.*

### *Transportation/Communications Disadvantaged*

*To respond appropriately to the needs of the transportation/communications disadvantaged.*

### *The Human Resource*

*To encourage a highly educated, productive and adaptive work force in a climate of increasing change.*



# Industry Competitiveness

## TO SUPPORT THE COMPETITIVENESS OF ONTARIO'S ECONOMY

Transportation and communications facilities and services have and will continue to have major roles to play in supporting the competitiveness of Ontario's economy. The ability to place competitively priced goods on the domestic and international markets depends in large part on the quality and cost of transportation and communications services. Currently, physical distribution costs can constitute up to 20 percent of the selling price for manufactured goods and up to 50 percent of the selling price for bulk commodities.

It is also essential to directly and indirectly support the transportation industries. Development and marketing of their products are required in order to capture a fair share of the growing world-wide trade in manufactured transportation systems and equipment.

As Ontario enters the post-industrial age, sometimes referred to as the age of information, the province's traditional view of itself as the manufacturing and industrial heartland of the country is having to adjust to a new reality. The shift is evident from the fact that the information-intensive service industries' GPP share has grown from 35 percent in 1971 to 43 percent in 1984. Also, companies in Ontario currently spend an average of 11 to 17 percent of their budgets on telecommunications and advertising, creating annual revenues of over \$5 billion for communications industries in the province. It is apparent that the competitiveness of Ontario's industries is becoming more dependent on the competitiveness of the communications industry sector.

To highlight the growing importance of communications industries, they are covered separately in the next strategic area.

### Strategies:

- Facilitate the efficient movement of people, goods and services by ensuring that transportation regulations, systems management and infrastructure enhance the cost effectiveness of transportation services

Current initiatives are wide-ranging and include:

- . regulatory reform of the trucking industry which will include reduction of the barriers to entry
  - . implementation of traffic management systems to improve traffic flows and reduce congestion in urban centres
  - . provision of information services to improve cost-effectiveness of physical distribution systems
- Assist Ontario's transportation industries by the removal of impediments and by assistance with market development and research





# Communications Industries

## TO CONTRIBUTE TO THE GROWTH AND DEVELOPMENT OF ONTARIO'S COMMUNICATIONS INDUSTRIES

About 100,000 people in the province are employed by communications industries in manufacturing, telecommunications, broadcasting, cable distribution, research and development and consulting. While Ontario has supported growth of these industries, future development requires the province to vigorously pursue opportunities to assist communications equipment manufacturing and service industries. As part of this, it is important to preserve and develop associated cultural industries that service national and international markets.

Ontario has many strengths for meeting the challenge of this new information age. These include our strong reputations in certain "technology niches" such as telephone equipment, digital switching, microwave and satellite transmissions and cable television systems. Ontario is also noted for good broadcasting and film production crews, co-production potential and a favourable dollar exchange rate.

There are many challenges to be met. Other provinces are aggressively working to fund and attract communications industries recognizing the economic leverage and future that they offer, often with the assistance of federal regional development programs. Also, the partnership role of government and industry in marketing both industries and consulting services, such as that utilized by European countries and Japan, requires encouragement.

### Strategies:

- Foster and support growth of Ontario's communications and cultural industries through initiatives such as:
  - stronger advocacy for federal policies to enhance industry competitiveness, encourage investment, and exploit new technologies
  - encouraging the location and growth of communications industries in Ontario through targeted communications development assistance
  - ensuring all ministries involved in economic and industry development work closely to maximize efforts (e.g. joint referral program)
  - encouraging partnership of industry-government-academia
  - providing assistance to communications industries in the world-wide marketing of their products and services





# Research And Development

TO ENSURE ONTARIO'S TRANSITION TO THE POST-INDUSTRIAL SOCIETY IS SUPPORTED BY APPROPRIATE RESEARCH AND DEVELOPMENT INITIATIVES

Research and development is an area that must receive increased attention if Ontario is to make a rapid and successful transition to the post-industrial society. The emerging trend towards global manufacturing and service industries means strong foreign competition and a renewed emphasis on technology and new product innovation. The convergence of communications, computer and automation technologies present an unparalleled array of opportunities from component manufacturing through to enhanced services. The rapid population growth in cities around the world places an emphasis on the development of urban transportation systems.

Research and development can provide the key to being able to take advantage of opportunities and preserve market share in existing markets. Ontario business has shown a recognition of the essential contribution that can be made by sharply increasing real spending on research and development over the past five years. Canada devoted 1.3 percent of its GNP in 1984 to research and development, compared to an average of 2.5 percent for other industrialized nations.

## Strategies:

- Encourage product innovation and Ontario industry competitiveness by focussing attention on their research and development requirements and opportunities. This can be accomplished by:
  - . development of a better understanding and coordination of current endeavours and opportunities
  - . encouragement of a climate conducive to research and development activity, including greater collaboration between government, industry, university and R&D institutions
  - . participation in the development of a national science and technology strategic plan
  - . encouragement of the investment of research and development resources into specific technologies considered to have the potential for the greatest return



# Federal/Provincial Relations

## TO ENSURE FEDERAL POLICIES AND INITIATIVES IN TRANSPORTATION AND COMMUNICATIONS ARE CONSISTENT WITH ONTARIO'S INTERESTS

The impacts on Ontario of shifts in federal policy, legislation, or regulation are large and will continue to be so for the foreseeable future. This is particularly so in transportation and communications, where the federal government has jurisdiction in major areas including air, rail, marine and communications. To date, Ontario has been effective in influencing the federal government through well researched reports and submissions that have represented Ontario's positions. However, new directions and changes at the federal level need to be continually monitored and evaluated to ensure that Ontario's interests are understood as early as possible in the federal decision-making process.

### Strategies:

- Effectively represent Ontario's interests and influence federal government policy. At this time, important federal activities relevant to the province include:
  - . free trade discussions with the United States which could have strong impacts on Ontario, e.g. possible loss of Bill C-58 which provides Canadian border broadcasters some protection from U.S. broadcasters
  - . ongoing regulatory decisions in communications, e.g. Ontario has argued for reduced regulation to stimulate competition and growth
  - . potential federal legislative changes that could indirectly transfer some historical responsibilities for funding and program delivery to the provinces, for example:
    - the proposed revisions to the National Transportation Act;
    - the federal airport management review;
    - National Passenger Rail legislation.
- Actively pursue Ontario's policy goals in air, rail and marine to ensure a climate conducive to the development of associated Ontario technology and industries.



# Infrastructure Preservation

## TO MAINTAIN THE ESSENTIAL CONTRIBUTION OF THE TRANSPORTATION INFRA- STRUCTURE TO THE ONTARIO ECONOMY

Ontario's high quality and highly developed transportation infrastructure will continue to be important to the movement of people, goods and the provision of services in the post-industrial society. Currently, 55% of the value of all exports cleared in Ontario is moved by road transportation. In Toronto alone, 432 million passenger rides are provided by transit. The supporting infrastructure, which represents a capital investment of some \$20 billion for provincial highways alone, also includes municipal roads, transit vehicles and stations, ferry boats and docks, municipal and remote airports, and rail lines. A high level of repair and upkeep is essential. Significantly greater traffic congestion and repair costs in the future will result if this infrastructure is not adequately maintained.

### Strategies:

- Effective use of allocated resources to maintain the transportation system, through initiatives such as:
  - . Research into and application of innovative and cost-effective methods to extend the life of existing infrastructure.
  - . Implementation of pavement management methods and procedures.
  - . Provision of a transit consulting service to municipalities.
  - . Encouragement of the use of automated maintenance methods and procedures for transit equipment and plant to extend life and reduce costs.
  - . Coordination of road repair with municipal repair of right-of-way services such as sewers, water systems.
- Selective expansion to meet new capacity needs.





# Greater Toronto Area

TO ENSURE THE PROVISION OF AN ADEQUATE TRANSPORTATION INFRASTRUCTURE AND SYSTEM TO SUPPORT THE ECONOMIC DEVELOPMENT OF THE GREATER TORONTO AREA

Population growth over the next 25 years is expected to add 1.5 million new residents to the greater Toronto area, primarily in the regions adjacent to Metro Toronto. There will also be a significant growth in employment opportunities throughout the area, with concentrations in established and developing subcentres. These demographic and employment trends indicate the greatest pressures for travel will be felt within the regions surrounding and across the boundaries into Metro Toronto. Also, the expected move by many industries to 'just-in-time' inventory deliveries will place increased pressure for highly efficient road networks. Currently there are many proposals being put forward and developed which involve large expenditures and will have significant implications for the involved jurisdictions.

## Strategies:

- Encourage and coordinate the planning and implementation of an effective and balanced network of roads and transit to serve the greater Toronto area for the near and long term future through:
  - . coordination between affected jurisdictions
  - . identification and evaluation of major issues and needs
  - . establishment of directions that:
    - support urban development and economic growth
    - maintain existing roads and transit systems
    - maximize operational efficiency of road and transit networks
    - provide for interregional transportation needs



# Safety

## TO REDUCE THE SOCIETAL AND LONG-TERM HEALTH COSTS OF ROAD ACCIDENTS

Road accidents in the province are near the top of the list of causes of death and disabling injuries, and the associated health care and insurance costs will continue to grow as the delivery of services and the settling of claims become more expensive. The social costs are wide-ranging and equally serious and disruptive. Currently, it is estimated the overall cost of these road accidents is approximately \$3 billion annually.

Over the last several years there has been no reduction in the number of accidents or the frequency of injuries although there has been a decline in the severity of injuries. The public is placing a high priority on the need to prevent road accidents and is supportive of the new tougher laws that have introduced stronger penalties to lessen the incidence of drinking and driving. Pressure will continue for government to attempt to reduce the number and seriousness of road accidents. However, road safety is a complex problem and coordination of the efforts of various stakeholders will be required to achieve substantial improvements.

### Strategies:

- Greater coordination of efforts within and outside government to determine appropriate actions to further improve road safety. Potential initiatives include:
  - . greater emphasis on municipal and rural accidents which are disproportionately high
  - . greater emphasis on pedestrian, cyclist and motorcycle fatalities
  - . investigation of the societal cost of road accidents
- Implement innovative policies designed to improve highway safety





# Tourism

## TO CONTRIBUTE TO THE GROWTH AND DEVELOPMENT OF ONTARIO'S TOURISM INDUSTRY

Tourism is expected to grow to be one of Ontario's top three industries in the future. It currently contributes five percent of Ontario's GPP and directly accounts for five percent of total employment. It is a major industry in the southern portion of the Province and is becoming increasingly important to the economy of Northern Ontario. Transportation plays an integral part; 39 percent of tourism expenditures are on transportation, and 38 percent of expenditures on passenger transportation are for tourism. Therefore, the industry is heavily dependent on the effectiveness, efficiency and attractiveness of transportation systems to enable people to move into and around attraction areas since 'getting there can be half the fun'.

### Strategies:

- Ensure that transportation systems support the development of Ontario's tourism industry through:
  - . improved service centres, roadside picnic areas and highway and tourism signing
  - . encouragement of transit initiatives which respond to tourist needs
- Stimulate U.S. and off-shore tourism through:
  - . demonstrations of market potential for transportation packages
  - . brokering world-wide integrated air, rail, bus and marine charter tours
  - . direct promotion of Ontario's road, rail and marine tourist routes
- Develop an information/reservation system that integrates the various transportation alternatives, and includes the hospitality facilities in the Province



# The Transportation/Communications Disadvantaged

## TO RESPOND APPROPRIATELY TO THE NEEDS OF THE TRANSPORTATION/ COMMUNICATIONS DISADVANTAGED

The Ontario Government has attempted in the past to meet the needs of transportation/communications disadvantaged through various policy and subsidy programs for the physically disabled. However, provision of programs and services for a wider definition of the transportation/communications disadvantaged is gaining increased prominence as various groups are recognized, or prepare challenges under the Charter of Rights. It is now recognized that the existing narrow definitions of the transportation/communications disadvantaged may not suffice in the future. A reevaluation will have to be undertaken to determine whether a new interpretation will be required.

A broadening of this definition could have major economic resource requirements, especially in light of the increasing proportion of older people in our society over the next fifteen to twenty years. It will, therefore, be incumbent on government to develop innovative policies that meet emerging needs while reflecting the economic realities of good government.

### Strategies:

- Identification of the transportation/communications disadvantaged which may include those affected as a result of financial, geographic or more widely defined physical reasons
- Determination of feasible methods to address the needs of the disadvantaged within a prudent fiscal framework. For example, initiatives that would help groups to assist themselves
- Improved liaison between appropriate ministries/agencies to address the above



# The Human Resource

## TO ENCOURAGE A HIGHLY EDUCATED, PRODUCTIVE AND ADAPTIVE WORK FORCE IN A CLIMATE OF INCREASING CHANGE

Flexibility and effectiveness of human resources and organizational structures and processes are essential components of a post-industrial society which emphasizes the development, processing and communication of information.

Over the next 10 to 15 years, there will be an increasing requirement for more flexible organizational structures that can respond to rapidly changing needs, and there will probably be an accompanying trend toward more horizontal organizations. New challenges will also be placed on education, whereby educators and employers must anticipate and respond to the job and work force requirements of the post-industrial era, including higher level knowledge and ability needs. Individuals must be equipped with portable and adaptable skills in a society where the multi-job career will become the norm.

With respect to government it can be expected that the movement away from direct delivery of services will continue in combination with the adoption of a stronger influence role. Senior level staff will be considered government corporate resources rather than ministry-specific resources. Middle management staff will have to possess more specialized knowledge skills to operate effectively in less supervised and more consultant-oriented positions. As opportunities to advance become limited due to a relatively static work force, government will have to be more innovative in approaches to maintain employee motivation, productivity, and job satisfaction through such initiatives as cooperative exchanges and educational programs between industry, government and educational institutions.

### Strategies:

- Encourage and facilitate the development of organizational expertise and effectiveness. Potential initiatives include:
  - . encouragement of more university/industry co-op programs
  - . line ministries involvement in the setting of educational institutions' study curricula
  - . review of organizational structures and processes to improve their flexibility and responsiveness
- Encourage organizational climates conducive to personal growth, development and job satisfaction by:
  - . enhancement of senior management commitment to and accountability for provision of ongoing educational up-grading opportunities, e.g. information technology courses





- . greater numbers of staff exchanges between government, industry and universities
- . improvement of human resources management practices and processes.





